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INCOMING TELEGRAM Department of State

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 6 MAY 1982

C O N F I D E N T I A L ATHENS 5574

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Attn: 5574 6-1-67.

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SITUATION REPORT

1. WEEKS V AND VI WERE RELATIVELY QUIET AS GOVERNMENT LEADERS CONCENTRATED ON CERTAIN COMPLEXITIES OF "REFORMING" INSTITUTIONS. THERE WERE NO NEW TOP LEVEL ADMINISTRATIVE APPOINTMENTS WITH EXCEPTION OF RETIRED RIGHTWING GENERAL K. KARDAMAKIS AS NEW DIRECTOR OF PUBLIC POWER COMMISSION AND CORPORATION, FORMER VICE PRESIDENT OF SUPREME COUNCIL OF PUBLIC SERVICES J. PAPAVLACHOPOULOS AS GOVERNOR OF AGRICULTURAL BANK, AND LT. GEN. PANAYOTIS VELIOS (RET.) AS CHAIRMAN PIRAEUS PORT AUTHORITY.

2. HIGH POINT OF TWO WEEK PERIOD WAS [illegible] OF CROWN PRINCE, EVENT GREETED WITH USUAL CANNON SALUT[illegible]ICATION OF INTERNATIONAL CONGRATUALATIONS, HOLIDAY FO[illegible]LS AND GOVERNMENT OFFICES, ETC. KING USED OCCASION TO DEC[illegible] TO PEOPLE SIX MONTH TIMETABLE FOR PREPARATION OF DRAFT CONSTITUTION.

3. GOG ANNOUNCED COMPOSITION OF CONSTITUTIONAL COMMITTEE WITH

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TIME PERIOD SIX MONTHS TO COMPLETE REVISION. PROKNINISTER REITERATED TO NEWSMEN MANDATE IS REVISION NON-FUNDAMENTAL

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ARTICLES, I.E. REGIME IS CROWNED DEMOCRACY AND PARLIAMENT IS MOST IMPORTANT ORGAN.

4. RECENT CHARGES IN "CAMPAIGN" TO DISCREDIT POLITICIANS INCLUDED FACT THAT BURIED IN UNRELATED "INNOCENT" LEGISLATION WAS AUTHORIZATION FOR DEPUTIES TO SECURE UNLIMITED PERSONAL LOANS FROM STATE FOR HOUSING. GOVERNMENT PROMISES TO INVESTIGATE NATURE OF LOANS GRANTED. TEN EX DEPUTIES KNOWN AS CLOSE ANDREAS PAPANDREOU SUPPORTERS WERE ROUNDED UP FOR ALLEGED ATTEMPT TO ORGANIZE "PATRIOTIC FRONT" OPPOSITION MOVEMENT. ABOUT 25 CU PERSONALITIES, DEPUTIES INCLUDED, ARE NOW UNDER DETENTION. ALSO, TWO EDK DEPUTIES, STEPHANAKIS AND TSOUDEROS, WERE ARRESTED MAY 27 ON UNSPECIFIED CHARGES.

5. PUBLISHED FIGURES CONCERNING NUMBER OF POLITICAL DETAINEES STILL CONFUSING. MINISTER INTERIOR PATTAKOS ANNOUNCED THAT OUT OF ORIGINAL 6,000 PLUS DETAINEES, 1,260 PERSONS ALREADY RELEASED AND THAT BY JUNE 12 ONLY HALF OF DETAINEES WILL REMAIN ON GIAROS.

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6. EX-GOVERNOR PAT BROWN AND CALIFORNIA LAWYER JAMES SCHWARTZ ARRIVED IN ATHENS MAY 31 AT REQUEST OF MARGARET PAPANDREOU TO ASSIST IN PREPARING ANDREAS' DEFENSE FOR EXPECTED TREASON TRIAL. INTERIOR MINISTER PATTAKOS REPORTEDLY TOLD NEWSMEN MAY 31 THAT GOG WAS STUDYING QUESTION OF DEPORTING ANDREAS AFTER TRIAL, "WHETHER CONVICTED OR ACQUITTED."

7. SPECIFIC REFORM CONCERNING LOCAL ADMINISTRATION WAS REPLACEMENT OF 25 OF COUNTRYS FIFTY-TWO NOMARCHS (17 HAVE BEEN IDENTIFED AS RETIRED MILITARY) UNCERTAIN WHETER RECENTLY OR SOME TIME AGO, INTERIOR MINISTER DIRECTED NEW NOMARCHS PROCEED IMMEDIATELY ON STUDY OF "RURAL DEVELOPMENT" NEEDS IN ORDER TO SET PRIORITES FOR INVESTMENT EXPENDITURES. CONTINUING PLANS TO PROMOTE DECENTRALIZATION, PATTAKOS ANNOUNCED MEASURES FOR MAKING MUNCIPALITIES AND COMMUNES FINANCIALLY SELF-SUPPORTING.

driver of an ERE candidate reportedly injuring him seriously. Papandreou expressed deepest regret re attack, questioned that culprits were CU followers.

Comment: CU followers greatly heartened by huge turnout at rally. CU enthusiasm playing heavy psychological role.

Papandreou and followers riding crest of wave because his blackmail tactics and "relentless struggle", culminating in removal of Kipinelis Government, have paid off. Buoyant and self-confident tone of his campaign has contrasted sharply with lack-luster and even occasionally petulant nature of Caramanlis campaign. Extent to which these psychological factors will translate into votes we will know Monday.

LABOUISSE

LLN/17

8. COORDINATION MINISTER MAKAREZOS ANNOUNCED FORMATION OF TEN MEMBER TEAM HEADED BY SECY GEN OF COORDINATION MINISTRY THANOS TO DRAFT FIVE YEAR ECONOMIC

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DEVELOPMENT PLAN COVERING CY 1967-1972. THIS NEW PLAN WOULD PRESUMABLY REPLACE EXISTING FIVE YEAR PLAN DRAFTED BY CENTER FOR ECON RESEARCH, BUT NEVER PUT IN EFFECT. NO DETAILS YET AVAILABLE ON GOVERNMENT'S IDEAS REGARDING ECONOMIC DEVELOPMENT BEYOND REPEATED STATEMENTS NEW REGIME WISHES PUSH DEVELOPMENT AND WELCOMES PRIVATE FOREIGN INVESTMENT.

9.. NEWSPAPER ARTICLES DEMONSTRATE INCREASED SELF-CONFIDENCE BY LEADERS BY PAYING MORE ATTENTION TO CRITICAL COMMENTS ABOUT COUP. IN ANSWER TO CRITICISM OF YUGOSLAV FOREIGN MINISTER, GOG DEFENDED EFFICIENT, BLOODLESS, DEMOCRATIC NATURE OF POWER TAKE-OVER. FONMIN STATEMENT ADDRESSED TO EASTERN EUROPEAN COUNTRIES EMPHASIZED GOG DESIRE TO LIVE AND LET-LIVE WITH NORTHERN NEIGHBORS. NEWS OF TWO GREEK JOURNALISTS BEING HUSTLED OUT OF STOCKHOLM AND COPENHAGEN, WHERE THEY HAD GONE UNDER GOG SPONSORSHIP TO "EXPLAIN" GREEK SITUATION, WAS CARRIED BY PRESS AND RADIO.

10. THIRTY COLONELS OF COMBAT ARMS PROMOTED TO BRIGADIER GENERAL OUT OF SEVENTY CONSIDERED; 8 ADDITIONAL PROMOTED

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AND ORDERED RETIRE AFTER 30 DAYS; 5 OF TECH SERVICES PROMOTED. ACTION FOLLOWS EXISTING ORDER OF RANK AND APPEARS SATISFY KNOWN GREEK ARMY CRITERIA FOR QUALITATIVE SELECTION.

GP-3 TALBOT
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